

Effect of Leadership Style on Employee's Performance in Halima Nigeria Company Limited

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Abstract- *The purpose of the study was to examine the effect of leadership style on employee performance in Halima Nigeria Limited. The specific objective sought to determine the effect of leadership style on organization performance. The study adopted the survey design. The source of data was primary. The population of the study was one thousand four hundred and fifty(1450) employees. The sample size for the study is 314 with the use of Taro Yamani's formula. The sample size for the study was 134. The questionnaire was structured in five-point likert scale in line with the objective of the study. The hypothesis was tested using chi-square. Findings indicated that leadership style affects employees' performance. The study concluded that leadership style determines employee performance to increase productivity. Finally, it was recommended that the democratic leadership should be encouraged for excellent behavior that will lead to effective performance and higher productivity*

Keywords: *leadership, employees, performance, autocratic, democratic, laissez faire*

I. INTRODUCTION

Leadership style determines the overall performance of the employees in any organization. In this global world, adopting the appropriate leadership style in the affairs of the organisation cannot be overemphasized. It plays a crucial role in every aspect of the business organization. Choosing the appropriate leadership style determine the growth of the organization. In the study ((Mullins, 2007), leadership is related to motivation, interpersonal behaviour and the process of communication. Leadership is influencing others towards attainment of set goals and objectives of the organisation or group or association. Leadership involves a leader and one or more followers with a common purpose. A manager by virtue of position has a formal authority that perform the functions of planning,

organising, staffing, directing, and controlling, while the ability of a leader to influence followers depends on various factors other than formal authority or position. In the study (Zhu et al. 2005), visionary leadership will result in high levels of cohesion, commitment, trust, motivation, and hence performance in new organisational environments. Leadership style involves the attitude and approach in giving direction, implementing plans, and motivating group of individual. It also involves the total ways of explicit and implicit actions taken by a leader. Leadership style is based on individual manager and the circumstances he operates. The degree to which the individual exhibits leadership traits depend not only on his characteristics and personal abilities, but also on the characteristics of the situation and environment in which he finds himself (Messick & Kramer 2004).

Matira and Awolusi (2020) state that the successes recorded by most human endeavors can be attributed to leadership quality. Every leader is in the position to think strategically, have the ability to analyse and evaluate situations, and implement appropriate actions immediately. Tarabishy, Solomon, Fernald, and Sashkin, (2005) stress that leaders and their leadership style influence both their subordinates and organisational outcomes. Leadership is the ability of the leader to understand the broad perspective of the organisation, which is, the vision, mission, and how his office or department fits in for a successful attainment of the set goal. The knowledge of the vision and mission contents of the organisation enables the leader to coordinate the activities of the subordinates in the right ways of attaining the set goal of the organization. In the study conducted by Aunga and Masare (2017), leadership practice and style impacts employee's performance by promoting a climate that would influence employees' attitudes,

motivation, and behavior. Adopting leadership style that understand the employees and interact effectively with them boost their morale for high performance. This is the ability of the managers to relate with everyone in the organization. Glantz (2002) states that there is need for a manager to find his leadership style.

Mullins (2007) reveals that the attention given to leadership style is based on the assumption that subordinates are more likely to work effectively for managers who adopt a certain style of leadership than they will for managers who adopt alternative styles. Manager adopting authoritative leadership style in most time while dealing with the employees will affect performance of the organisation. The need for employees' participation is not flexible resulting to poor productivity. The extent to which members of an organisation contribute in harnessing the resources of the organisation equally depends on how well the managers of the organisation understand and adopt appropriate leadership style in performing their roles as managers and leaders (Obiwuru, Okwu, Akpa & Nwankwere, 2011). The aim of the study to explore the relationship between democratic leadership style and employees' performance. The study creates a gap in research on how leadership style affects employees' performance in Halima Nigeria Company Limited. Hence this study investigates the effect of leadership style on employees' performance in Halima Nigeria Company Limited as a case study.

II. OVERVIEW OF THE STUDY

Mullins (2007) opine that in order to get the best results from subordinates, the manager must also have regard for the need to encourage high morale, a spirit of involvement and co-operation, and a willingness to work. Leadership is a serious management skill that has to do with the ability to encourage a group of employees toward a common goal. DuBrin (2006) defines leadership style as the typical pattern of behaviour that a leader uses to influence his or her employees to achieve organisational goals. Leadership style determines the level of employees' involvement in decision making and the way an organization is operated administratively. Jooste (2009) defines leadership

style as the manner in which a leader provides direction, implement plans and motivates people, and their approach to each of the functions. Impact of leaders on employees lead to the attainment of team and corporate objectives. The use of appropriate leadership style is needed as a medium for employees' performance in every organisation.

Leadership style is vital in today's competitive environment as organisations expand globally with the challenges of meeting their objectives and having competitive advantage over others. Rowe (2001) stresses that effective leadership is seen as a potent source of management development and sustained competitive advantage for improvement of organisational performance. Leaders achieve their goals by satisfying their employees to boost their performance. In the study (Raelin, 2011), leadership is directly connected to the practice to which most people are dedicated. Leadership style is one of the strategies managers adopt to influence employees' performance towards the organizational goal. Effective leader does not only inspire subordinates' potential to enhance efficiency but also meets their requirements in the process of achieving a certain predefined objective (Lee & Chuang, 2009)

Leadership

In the study conducted by Levin (2000), leadership is the process of influencing others to work willingly toward an organizational goal with confidence. Leadership is the ability to influence the behaviour and work of others toward the set goal. Mehra, Smith, Dixon and Robertson (2006) reveal that when organisations seek efficient ways to enable them outperform others; a long standing approach is to focus on the effects of leadership. Leadership is exercise by managers to influence the performance and activities of their employees toward organizational goal. leadership can be conceptualized as a process of influencing others towards the achievement of some common goal (North house, 2013). Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and to improve their performance and to direct them towards goals (Adair (2002). Leadership is needed in every organization to build and motivate employees

to attain higher performance for the organizational success and growth.

Effective leaders perceive situation to apply the appropriate leadership style in order to meet demands. Veronica (2011) explains leadership as the incremental influence that a person has beyond his or her formal authority. Leadership influences the productivity and profitability of organization. The higher the employees' performance, the higher the productivity and profitability of the organization. While, the lower the employees' performance, the lower the productivity and probability of the organization. Thus, Babatunde (2012) reveals the relative importance of transactional leadership style in influencing workers for a better performance.

Binfor et al (2013) suggest that leadership is a reciprocal relationship between those who choose to lead and those who decide to follow and it is not something you do to people but something you do with people.

Autocratic Style

Daft (2008) defines autocratic leader as one who tends to centralize authority and derive power from position, control of rewards, and coercion. The leader instructs the employee on what to do and how it is being done without the employees' advice. Jooste (2009) reveals that autocratic leadership is appropriate in a crisis; in difficult, complex situations; or in a situation where quick decisions must be made. The employee takes instruction from their leader on what to do and how to do it without getting their advice. DuBrin, (2006) states that autocratic leaders are considered task-oriented because they place heavy emphasis on getting tasks accomplished. It requires high control. The manager alone exercises decision-making and authority for determining policy, procedures for achieving goals, work tasks and relationships, control of rewards or punishments (Mullins, 2007). In addition, Autocratic leadership is a style whereby the boss only has decision making rights with no shared vision, little motivation, commitment, creativity and innovation (Khan, et al., 2015).

Democratic (Participative)

Jooste, (2009) expresses that democratic leadership leads to increased productivity and job satisfaction. Democratic leader involves one or more employees in the decision-making process, but the final decision-making authority is taken by the leader. Ray and Ray (2012) express that democratic leader is influential, knowledgeable, a good listener, encouraging, respecting and situation centered. The leader shares the decision-making abilities with their employees by promoting their interest and also practicing social equality. In the study conducted by Daft (2008), democratic leader is one who delegates authority to others, encourages participation, relies on subordinates' knowledge for completion of tasks, and depends on subordinate respect for influence. Also, Daft (2008) defines a democratic leader as one who delegates authority to others, encourages participation, relies on subordinates' knowledge for completion of tasks, and depends on subordinate respect for influence. Democratic leadership style of management is a good condition for efficacious achievement in organization. DuBrin (2006) reveals that in this complex world, the leader does not have all the answers. The employees are involved in the leadership function with the manager more part of the team work. In the study conducted by Mullins (2007), the group members have a greater say in decision-making, determination of policy, implementation of systems and procedures.

Laissez-Faire (free-rein)

Kumar (2005) defined laissez-faire as a leadership style where employees independently decide their own matters as the leader gives maximum freedom to their subordinates. This leadership style allows the followers to have complete freedom in making decisions relating to the completion of their job. Cole (2010) states that laissez-faire leader is a leader who is uninvolved in the work of the unit. The leader allows the employees to make decisions which he is accountable for. In a study (Mullins, 2007), the manager consciously makes a decision to pass the focus power to members, to allow them freedom of action 'do as they think best', and not to interfere; but is readily available if help is needed. Any decision taken by the employees, the leader is responsible for it. It gives followers a high degree of autonomy and self-rule. It also offers guidance and support when

needed. Jooste (2009) reveals that the laissez-faire leadership style is based on the premise that all followers are ambitious, creative, responsible and willing to accept the organization's goal. It implies low control and there is frustration among group members resulting to anxiety. Kerns (2004) states that laissez-faire leadership style is helpful in bridging the gap between the employer and employee by creating a positive work environment and spirit of family hood. Laisses faire leadership style is suitable for group members with high degree of cooperation, self-directedness and motivation.

Performance

Performance is affected when there is lack of proper direction and application of strategic leadership style in managing daily activities of the organization. In the study conducted by Ibrahim (2004), performance is considered as an important activity that provides both goals and methods to achieve the organizational objectives and also provide the achievement level in term of output. Today's organization improve on employees' performance to achieve their set goals as they advanced globally. Prasetya and Kato (2011) state that performance is the attained outcomes of actions with skills of employees who perform in some situation Training and development of employees for better performance is one of the most crucial goals of many organizations today. The quality of employees determines their performance and effective work done in the organization. Organizational growth results to good standard of living as it increases the gross product of the economy for better society. Any collaborated effort made by employees which by increasing the productivity and profitability leads to success of an organization (Basit, et al. 2017)

Pattanayak (2005) opines that employee performance is any effort made by an individual towards the achievement of some goal which can be observed and evaluated. Performance can be hindered as a result of poor structures and systems operated by the manager of the organization. These causes slow implementation of technological advancement in job performance. Adopting inappropriate leadership style affects employee's attitudes and behaviours towards

job performance. most leaders and managers practice poor leadership approach thereby losing their tracks.

III. THEORETICAL FRAMEWORK BEHAVIOURAL APPROACH

The assumption of the leader behavior approach was that there were certain behaviour that would be universally effective for leaders. Behavioural theories expressed behaviours of leaders, how the behaviours of effective leaders differ from the bahaviours of ineffective leaders. It involves two major classes of leader behaviour which are task-oriented behaviour and relationship-oriented behavior. The study anchored on the behavioural theory because every effective leader should be able to involve their team members in decision making, encourage their inputs and contributions for effective performance and productivities. Employees are more productive and satisfy when you provide them with the right information and encourage them. They feel supported and contribute to facilitate decision making.

IV. EMPIRICAL REVIEW

The study employed a cross-sectional design. Primary source of data was used to gather information from the employees of Omo Kuraz I Sugar Factory during 2019 to investigate the effect of different leadership styles have on the performance of employees. The quantitative data analysis approach was used to analyze the variation in employee performance observed across different leadership style using descriptive and inferential data analysis tools. The sample size was 265.

The study concluded that democratic style has significant positive effect on employees' performance in Omo Kuraz Sugar Factory Manifesting Company. There is a strong synergy among the employees by involving them in decision making process whereby increasing employees' productivity. there was also a platform for learning, collaboration and team spirit that improved their performance (Bedasa, 2020).

V. METHODOLOGY

The presentation and analysis of data were based on the questionnaire administered to the employees of Halima Company Limited Nigeria. The study adopted a survey design. Primary source of data was used. The population of the study was one thousand four hundred and fifty(1450) employees. The sample size for the study is 314 with the use of Taro Yamani's formula. The sample size for the study was 134. Taro Yamani's formula was used to determine the sample size. Questionnaire was applied in the collection of data. A total of three hundred and

fourteen (314) copies of questionnaire were distributed to the respondents from the staff. Out of the number, a total of two hundred and ninety-two copies (292) were returned and used, twenty-two copies (22) were not returned and was not used. In interpreting the data from the questionnaire administered, simple percentage was used and t-test was used to test hypothesis.

T-Test
One-Sample Statistics

Table 1a: Mean response to democratic leadership style has positive effect on employees' performance

	N	Mean	Std. Deviation	Std. Error Mean
The relationship between democratic leadership style and employees' performance	292	12.76	5.594	.327

Source: SPSS output

Table 1b One-Sample T-Test Result Hypotheses 5

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% confidence interval of the Difference	
					Lower	Upper
The relationship between democratic leadership style and employees' performance	38.969	291	.000	12.757	12.11	13.40

Source: SPSS output

Table 1a, depicts the descriptive statistics of N = 292, Mean = 12.76, Standard Deviation = 5.594 and Standard Error of Mean = .327.

VI. HYPOTHESIS

Questionnaire items scored and data generated were subjected to hypothesis test.

Ho: Democratic leadership style does not have positive effects on employees' performance.

Hi: Democratic leadership style has positive effects on employees' performance.

Table 1b, demonstrates the one sample t-test computed ($t_c = 39.969$) is greater than t-table value ($t_t = 1.960$) with 291 degrees of freedom at 0.05 alpha level of two-tailed test ($t_c = 39.969$, $p < .05$).

Decision

Ho: Democratic leadership style does not have a positive effect on employees' performance should be rejected ($t_c = 39.969$, $p < .05$).

VII. CONCLUSION

Table 1a, depicts the descriptive statistics of $N = 292$, Mean = 12.76, Standard Deviation = 5.594 and Standard Error of Mean = .327. Table 1b demonstrates the one sample t-test computed ($t_c = 39.969$) is greater than t-table value ($t_t = 1.960$) with 291 degrees of freedom at 0.05 alpha level of two-tailed test ($t_c = 39.969$, $p < .05$). H_0 : Democratic leadership style does not have a positive effects on employees' performance should be rejected ($t_c = 39.969$, $p < .05$). The researcher strongly supports the finding because leadership style is one of the problems affecting the performance of organizations. Adopting the appropriate leadership style impacts positively on employees' performance and makes the company adapt to changes with ease for more productivity. The study indicated that leadership style affects the performance of the employees in the organization. Employees' performance is effective when the right leadership style is adopted. The manager of the organization can adopt a democratic leadership style and involve his employees in decision-making for better performance and productivity increase. This will pave way for creativity and innovation for growth of the organization.

VIII. RECOMMENDATION

It was recommended that:

- the employees should be given the privilege to participate in decision making
- the employees should be valued and seen as the most important asset in the organization.
- democratic leadership should be encouraged for excellent behavior that will lead to effective performance and higher productivity.

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